FILE No. 34 OF 1904-05.

'ERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

'ROCEEDINGS OF THE GENERAL AND REVENUE DEPARTMENT

LEGISLATIVE

"A" Collection Serial Nos. 1—2

of loans made under the Coffee Banks of Saklespur and Chikmagalur.

1904-05.

GENERAL AND REVENUE SECRETARIAT.

LEGISLATIVE FOR JULY 1905.

NOTES.

Recovery of loans made to the Coffee Banks of Saklespur and Chikmagalu

Submitted to Secretary, General and Revenue Department.

1. With reference to the order issued regarding the winding up of the Coffee Banks of Saklespur and Chikmagalur, the Dewan desires that it may be considered in the Legislative Branch whether, as stated in the order, the provisions of the Land Improvement Regulation can legally be made applicable to these banks or whether the provisions in the Companies Act are enough for the purpose. If any amendment of the Land Improvement Regulation is necessary, a draft may also be submitted.

M. SHAMA RAO
2-6-05.

2. Only loans granted expressly for a "work of improvement," within the meaning of Section 4 of the Land Improvement Loans Regulation, 1890, can be treated as loans under that Regulation, and recovered as arrears of Land Revenue under Section 7

3. The debts referred to in the above enquiry consist, I gather, of accumulated advances, which were applied, at least in part, to the liquidation of old debts contracted with money lenders. They are therefore excluded from the operation of the Land Improvement Loans Regulation, and a mere renewed agreement on the part of the debtors cannot have the effect of bringing the old loans under the Regulation. It would, moveover, be inconsistent with the scheme of that legislation to make a declaration to that effect by means of an amending Regulation.

4. The provisions of the Companies Regulation applicable to wound-up companies are complicated, and involve the appointment of official or other liquidators, and recoveries of assets by legal process—a procedure which seems unsuited to the case in point.

5. The readiest course, in my humble opinion, is to proceed under Regulation II of 1903, a short Regulation which was passed for the express purpose of recovering loans made to Agricultural Banks by Government as arrears of Land Revenue jointly and *severally from the members*. All the old loans may be recovered from individual members in this way. New loans, if any are hereafter given, may be sanctioned under the Land Improvement Loans Regulation.

6. If legislative action is still considered necessary, further instructions as to its scope are solicited.

K. S. CHANDRASEKHARA AIYAR,
7-6-05.

7. Submitted to the Dewan Saheb. This point was considered when the order about the winding up of the Agricultural Banks at Saklespur and Chikmagalur was received for issue, and as it was thought to be all right, it was issued. Probably in forgetfulness of the Regulation authorizing the recovery of the loans made to such banks as arrears of Land Revenue, the above enquiry has been made.

B. K. VENKATA VARADA IYENGAR,

8. Submit draft of an order clearing the doubt through the 1st Councillor whose opinion Ishall be obliged to have. The effect and applicability of Section 194 of the Land Revenue Code may also be considered.

P. N. K.
9-6-05.

9. It also occurred to me after sending off my first note, that the subsequest advances for working expenses, could be treated as made under Section 194 of the Land Revenue Code. I have accordingly adopted this view in the accompanying draft of an order which is submitted for approval.

K. S. CHANDRASEKHARA AIYAR.
10-6-05.

10. A draft of notification as alluded to in the draft order is also submitted as ordered by Deputy Secretary in person.

T. K. S.
12-6-05.

11. Draft submitted to the Dewan Saheb through the 1st Councillor.

B. K. VENKATA VARADA IYENGAR,
12-6-05.

12. I am afrrid that in the order in question the Land Improvement Regulation was a new quotation for Regulation No. II of 1903. The former does not apply to loans and liabilities of the kind under advertence, while the latter does. The last-mentioned measure of legislation was specially intended for such cases, and can be safely had recourse to as well for immediate recoveries as for postponed ones.

13. I am quite of the Dewan's opinion that advances for future working expenses come more appropriately under Section 194 of the Land Revenue Regulation than under the provisions of the Land Improvement Regulation. Certain rules under Section 194 have already been made and are now in operation. What is now required is an addendum to those Rules and not an altogether fresh rule independently thereof as suggested by the Deputy Secretary. That is to say, the rule now called for may be worded somewhat as follows:—"In exercise of the power conferred by Section 194 of the Land Revenue Code, Regulation IV of 1888, the Government of His Highness the Maharaja of Mysore are pleased to make the following rule which shall be added as Rule XXI to the rules made and published in Notification No. 2557, dated 10th December 1901:—

XXI. '"Notwithstanding anything contained in the above Rules...(Here insert the Deputy Secretary's new rule, which seems quite suitable)..."

14. The outstanding loans can be recovered under the Regulation of 1903, and the future advances under the proposed new rule.

C. S.
17-6-05.

15. With this slight exception, I think the draft is all right.

C S.
19-6-05.

16. I agreee.

P. N. K.
2-7-05.

17. Revise the draft.

B. K. VENKATA VARADA IYENGAR,
4-7-05.

18. Drafts (order and notification) revised. The former has to issue from the Financial Branch, from which the order about to be modified issued; the latter from the Revenue Branch, from which the Rules of 10th December 1901 were issued.

K. S. CHANDRASEKHARA AIYAR,
4-7-05.

19. Passed.

B. K. VENKATA VARADA IYENGAR,
5-7-05.

1. *To the Deputy Commissioners of Hassan and Kadur the Revenue Commissioner and the Comptroller, Government Proceedings No. Fl. 168—71, dated 8th July 1905*

Modifies Government Order No. Fl. 4218-21—B. 33-04-11, dated 6th January 1905, and states that the loans made to the late Coffee Banks of Saklespur and Chikmagalur will be recovered from the owners of the estates individually, who shall execute an agreement to the effect that the debt due by the party concerned is a part of the debt due from the Coffee Bank, recoverable from him as a member thereof, under Regulation II of 1903, and that it continues to be so recoverable.

2. *Notification No. R. 502, dated 11th July 1905.*

Adds a rule as Rule XXI, to the Rules prescribed under Notification No. R. 2557, dated 10th December 1901, authorising the Deputy Commissioners concerned to make reasonable advances, on the security of the standing crops, to the owners of Coffee estates owing money to Government as members of the late Coffee Banks of Saklespur and Chikmagalur, and allowed to repay the same in certain instalments.

Proceedings of the Government of His Highness the Maharaja of Mysore, Legislative, July 1905.

Recovery of loans made to the Coffee Banks of Saklespur and Chikmagalur.

FILE No. 34 of 1904-05.

To the Deputy Commissioners of Hassan and Kadur Districts, the Revenue Commissioner in Mysore and the Comptroller to the Government of His Highness the Maharaja of Mysore, Fl No. 168—71, dated 8th July 1905.

In the instructions conveyed in para 5 of the above order * it was directed that the owners of estates which may be improved should be called upon to execute fresh agreements for the repayment of their debts, and the loans treated thenceforward as loans under the Land Improvement Loans Regulation, IV of 1890. Serial No. 1.

* No. Fl. 4218-21—B. 3304-11, dated 6th January 1905.

2. On further consideration it appears to Government that these antecedent loans, not being expressly granted for or always applied to "works of improvement" within the meaning of Section 4 of the abovementioned Regulation, cannot now be brought under that Regulation, as the result of any fresh agreement on the part of the debtors.

3. On the other hand, a ready means of realizing these debts is afforded by the provisions of Regulation II of 1903, which was passed for the express purpose of recovering loans made to Agricultural Banks, from the members jointly and severally as arrears of Land Revenue.

4. It is, therefore, sufficient if, in each agreement to be taken under sub para (4) of para 5 of the order under advertence, the recital be made that the debt due from the owner of the estate concerned is part of a debt due from the Coffee Bank, recoverable from him as a member thereof under Regulation II of 1903, and that it continues to be so recoverable. To this extent, the order of the 6th January 1905 is hereby modified.

5. As regards the advances for working expenses, which the Deputy Commissioners are authorised by sub-para (5) of the same para of the order to make, these should be treated as falling under Section 194 of the Land Revenue Code. To enable this to be done, a notification to the following effect will be issued :—

"In exercise of the power conferred by Section 194 of the Mysore Land Revenue Code, 1888, the Government of His Highness the Maharaja are pleased to prescribe the following rule" which shall be added as Rule XXI to the Rules published under Notification No. R. 2557, dated the 10th December 1901 :—

XXI. "Notwithstanding anything contained in the above Rules, the Deputy Commissioner concerned may make to any owner of a Coffee Estate who, having been a member of the Coffee Bank of Saklespur and Chikmagalur, is allowed by Government to repay his share of the debt due by such bank to Government in accordance with an agreement to be entered into with him, advances for working expenses of such estate, on the security of the standing corps, to an amount not exceeding the probable value thereof, and under such safeguards as to such Deputy Commissioner may seem reasonable."

B. K. VENKATA VARADA IYENGAR,

12-6-05.

Notification No. R. 502, dated 11th July 1905.

In exercise of the power conferred by Section 194 of the Mysore Land Revenue Code, the 1888, Government of His Highness the Maharaja are pleased to prescribe the following rule which shall be added as Rule XXI to the Rules published under Notification No. R. 2552, dated the 10th December 1901 :— Serial No. 2.

XXI. "Notwithstanding anything contained in the above Rules, the Deputy Commissioner concerned may make to any owner of a Coffee Estate who, having been a member of the Coffee Bank of Saklespur or Chikmagalur, is allowed by Government to repay his share of the debt due by such bank to Government in accordance with an agreement to be entered into with him, advances for the working expenses of such estate, on the security of the standing crops, to an amount not exceeding the probable value thereof and under such safeguards as to such Deputy Commissioner may seem reasonable.

By Order,

B. K. VENKATA VARADA IYENGAR.